

## **Introduction to the Report**

The report aims at the evaluation of the challenges that would help Next PLC to improve its performance in terms of profit-making, which has certainly declined to 0.4% by 2019. Moreover, the report analyses the contribution of Next PLC to the challenges they are facing with respect to specific aspects of organizational behaviour, related to the challenges. The report also suggests a change plan regarding the challenges to improve the performance of the company by the motivation, engagement, and commitment of the employees.

## **Background of the Issue**

Next PLC is the UK-based retailer, the offers products in clothing, footwear, accessories and home products. The end of January 2019 shows a dip in profit revenue that yield a pre-tax profit to 722.9 million Euros from the last year, which was 726.1 million Euros (proactiveinvestors 2020). However, it is evident from the case that a gain of 3.1% full-price Next brand sales has met the expectations of the company. Therefore, they are continuously trying to minimize the issue by coping up with the profit-making challenges in terms of its recently-developed online shopping and operational delivery. They also believe that the issue is not exactly an issue but a challenge, which is not a basic effect of Brexit.

## **Contribution of Next PLC to the Challenges**

### ***Organization's Internal Behaviour Environment***

The internal behaviour of the company focuses on thinking, decision-making, and perceiving, accompanying visible actions. The specific aspects of organizational behaviour of the retail organization analyse the performance of the stakeholders as individuals as well as group members who are associated with any organization. Therefore, with respect to organizational behaviour, Next PLC behaves in terms of significant aspects: Motivation, Employment, Technology, and Organizational Design. The three critical organization behavioural aspects have been explained below, because of which Next PLC has been facing challenges and need changes with respect to the same.



**Figure 1: Aspects of Organizational Behaviour**

(Source: Badiru and Bommer 2017)

### **Efficiency and Quality in Work Design**

In terms of competitiveness as well as changing competitive aspects and conditions, efficiency plays a significant role in *Work Design* with the aid of Total Quality Management (TQM). In this respect, effective work design plays a significant role in addressing the ideas, responsibilities and presentation in order to gain quality, efficiency, and speed (Miracle Qi, Ellinger and Franke 2018). This, in turn, increases the profitability of the organization. However, in the previous year, Next PLC has seen a dip in its profit, which does not affect the performance of the organization but it has created a challenge with respect to future competitive advantage in the fashion retail market (Parker, Van den Broeck and Holman 2017). Therefore, the leaders and managers of the organization have put *TQM Role* in line of the employees, not only to execute their distinctive roles to the organization but also to the integration of the job roles by *switching* among the roles throughout the working days (Badiru and Bommer 2017). In terms of Next PLC, the implementation of TQM has faced challenges with respect to the integration of the roles where the employees use to avoid thinking or continuous improvement of the task with the role of Total Quality Management.

### **Work Motivation and Employment**

Work motivation is one of the brilliant concepts, which is applied by the organization in terms of employee motivation. Employee motivation of Next PLC has been facing serious challenges due to frequent employee turnover because of excess work pressure as well as lack of quality in work performance (Al-Madi et al. 2017). Although the organization has been trying to meet the requirements of the employees, they are continuously failing on the same for the last few years. The effect has been experienced by the organization for the first time in January 2019 where despite their target has fulfilled, profit has declined as mentioned above. The employees are also lacking professional experiences and necessary skills as well as socio-cultural skills, which is highly significant for the employees of the organization (Brennan 2018). In addition to this, due to the sudden employment crisis, the leaders and managers took less interest in professional training and development to the new employees, which have created inefficiency in their work performance. Moreover, the company believes that one of the major reasons in employee demotivation is the pay structure; minimization of the issue might lead to motivate the employees for the achievement of their personal goals (Teuvo et al. 2017). Hence, in terms of employment, future career and income could play a major role with respect to work activity and self-identity of the employees (Naidoo 2017). Other challenges include sustainable behaviour of Next PLC, which is though evident from the past years, critical as of today. In this regard, the types of motivational approach for which the organization have facing challenges are negative motivation and extrinsic motivation.

## **Technological Environment and Organizational Design**

The technological environment of Next PLC made up with information analysis in the retail sector, procedural approach, and equipment, proving helpful for the transformation of the unprocessed requirements to the processed products and services. Due to the immediate effect of Brexit, sales approach could be affected both by national and international perspectives (Parise, Guinan and Kafka 2016). However, it has confirmed by the organization that Brexit has zero effect on their productivity. In addition to this, being the United-Kingdom's one of the popular fashion retail organization, its *core technology* specifically dominates personal technology that is useful in performing work in the operational sector of the retail organization (Molinillo and Japutra 2017). It is evident from the challenges they are facing with respect to a loss in profit that they are continuously trying to cope up with the e-commerce sectors by providing swift delivery

services to a large customer base of the United Kingdom. Moreover, the immediate decision-making helps to redesign the functional approaches of the organization that has converted the issues to challenges (Willems et al. 2017). Therefore, the core technology of the organization plays an influencing role in the effectiveness of the design of their organization by placing specific coordination requirement on its structure.

## **Change Plan to Improve the Performance of Next PLC**

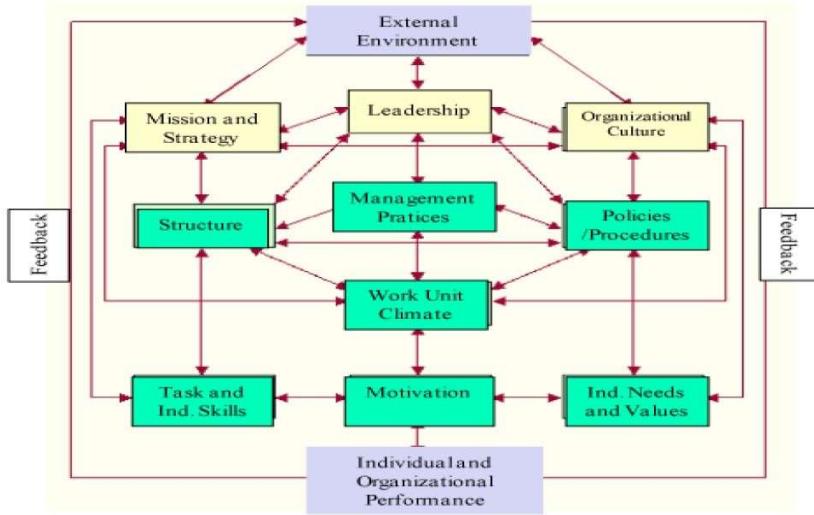
### *Motivation and Engagement of the Employees*

#### **Bases Indicating a Need for Change**

It is revealed from the perspectives of the organization that a directive leadership style instead of facilitated leadership has resulted in critical relationships among the employees, staff, and the management. It has decreased the empowerment of the employees, resulting in negative feelings about the corporate culture that discomfort the concerned employees of the organization (Petrou, Demerouti and Schaufeli 2018). In addition to this, higher rates of employee turnover for a few years reduce the rate of better outcomes including customer loyalty.

#### ***Burke-Litwin Model***

This model would be utilized for planning the change since it will create a positive relationship between a good working climate and the performance of the organization. One of the major reasons for using the model is the transformational factors that will be necessary for change (Bejinariu et al. 2017). Moreover, the organization will be required to apply both transformational and transactional level of motivation toward positive changes. Therefore the concerned model would serve as a critical framework in addressing the current situation that will help to execute the change plan.



**Figure 2: Organizational Performance and Change Model**

(Source: Faletta and Combs 2018)

### **Action Plan**

In the case of the above-mentioned model, if each of the steps will be applied in a proper way, there would be a possibility to promote the change within the component, which further would create a positive link to the other components of Next PLC. The application of the change model would initiate the betterment of the climatic environment of the organizational workplace (Rosenbaum, More and Steane 2018). It will not only motivate the employees but also change the ethical perspective and willingness towards the engagement to the concerned retail organization (Faletta and Combs 2018). In addition to this, the three alternative models, all of which is provided below, will give raise the changes with respect to the reduction of certain gaps that would help to revisit their past profit.

### **Weisbord's Six-Box Model**

The concerned model acknowledges the formal and informal aspects of each component, that is, leadership, purposes, relationships, structure, rewards, and necessary mechanistic approaches. The informal aspects of each component restrict in relying on formal protocol and uniform procedures (Zarandi 2017). This might create mistrust among the employees about ethics. Therefore, in order to reduce the gap, formal aspects will be necessary for employment for the

effective engagement of the employees (Gözükara 2017). It would create visual and mental power in the form of positive change that will require a deeper analysis of the future situation with respect to the current situation (Ouma 2017).

### ***Nadler-Tushman Congruence Model***

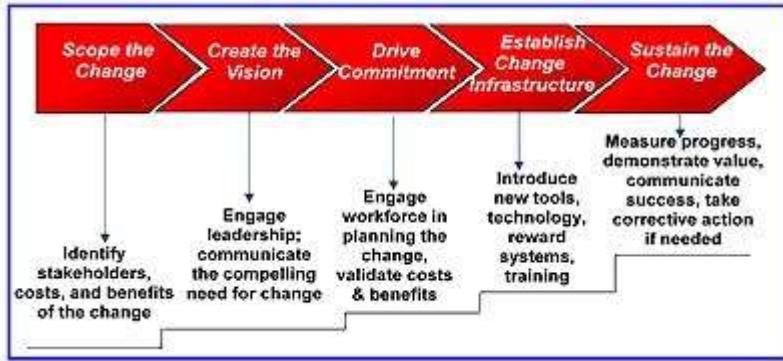
While the Nadler-Tushman Congruence Model (1977) is important as far as its way to deal with information sources and yields of and how they influence Next PLC and its condition, the intricacy of this model presents a potential obstruction to the development toward positive change in the present case (Caves 2018).

### ***Tichy's TPC Framework***

Tichy's model will be helpful to identify nine important components, which is significantly related to facilitating the change, primarily focusing on the functional areas that will interact with the political, technical, and functional approach (Pasmore and Woodman 2017). This would affect the internal as well as the external environment of Next PLC. Therefore, in terms of reanalyzing the profit-making approaches, it will increase the motivation of the employees, which in turn will help to employee engagement.

### **Potential Barriers to Change**

The fruitful implementation of change requires a certified commitment with respect to workers and administration. A sceptical perspective on the change attempt can ruin the procedure. Leadership and the specialist would be insightful to recognize the chance of negativity to change attempt to Next PLC (Ybema, Thomas and Hardy 2016). In the changing process that there is a predominant environment of negativity inside the authoritative atmosphere, even the truest of endeavours at change would not almost certainly get an opportunity to get effective.



**Figure 3: Transformation and Organizational Change**

(Source: Kraft, Sparr and Peus 2018)

### **Perspective of the Employees**

Resistance to change can back off or harm the change procedure. Centre attitudinal changes among representatives are required. In terms of the workers, it is normal that investment will increment after some time. At first, workers might be reluctant to express their actual impressions and suppositions. In the course of recent years, a feeling of frailty has created among the workers, which will set aside some effort to switch. For a positive change from the representatives' point of view, they should likewise be eager to move from an arrangement of serious connections to a cooperation approach, described by community working connections (Kraft, Sparr and Peus 2018).

### **Perspective of the Leaders**

Resistance to change among the division and program's administration can likewise make a hindrance to change. Mentalities among initiative must be one of the readinesses to share control and decentralize. In order to start to pick up force, the authority must be happy to move their concentration toward collaboration and group building. In particular, they should be happy to display the ideal conduct and embrace a disposition of stewardship and a participative administration style (Sparr 2018). A climate of managerial stewardship is portrayed by a controlled appropriation of intensity instead of an endeavour to control the individuals in the association. The outcome is a strengthening of the workers just as a sentiment of responsibility for the fate of the association among its representative (Lewis 2019).

Leaders who have met the test of controlled appropriation of intensity among representatives have discovered that the result of progressively gainful and workers far exceeds their penance. The Burke-Litwin model was chosen as the fitting methodology, and a strategy was proposed, comprising of activities, which tended to explicit segments of the association that influenced the corporate culture (Blake et al. 2018). Every activity incorporates the order and the relating reason. Potential boundaries to the accomplishment of the change plan were then investigated, comprising of chiefly profound issues concerning member perspectives.

## **Conclusion**

Next PLC facing critical challenges regarding profit-making, especially in the year 2019 where they are trying to cope up with the challenges regarding their inter-organization function. The aspects of organizational behaviour have been detailed with respect to the concerning challenges. A change plan has been suggested with the aid of models based on the issue that is facing by the organization. The barriers and implementation of the change have also been evaluated for the future affectivity of the organization.